

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.¹

PROMESA

Title III

No. 17 BK 3283-LTS
(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY ("HTA"),

Debtor.

PROMESA

Title III

No. 17 BK 3567-LTS

**DECLARATION OF WILLIAM J. NATBONY IN SUPPORT OF URGENT MOTION
FOR BRIDGE ORDER, AND MOTION FOR APPOINTMENT AS TRUSTEES UNDER
11 U.S.C. § 926, OF AMBAC ASSURANCE CORPORATION, ASSURED GUARANTY
CORP., ASSURED GUARANTY MUNICIPAL CORP., FINANCIAL GUARANTY
INSURANCE COMPANY, AND NATIONAL PUBLIC FINANCE GUARANTEE
CORPORATION**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

I, WILLIAM J. NATBONY, declare as follows:

1. I am Counsel at the law firm of Cadwalader, Wickersham & Taft LLP, attorneys for Assured Guaranty Corp. and Assured Guaranty Municipal Corp., in the above-captioned cases. I respectfully submit this declaration in connection with the *Urgent Motion for Bridge Order, and Motion for Appointment as Trustee Under 11 U.S.C. § 926 of Ambac Assurance Corporation, Assured Guaranty Corp., Assured Guaranty Municipal Corp., Financial Guaranty Insurance Company, and National Public Finance Guarantee Corporation*, dated July 17, 2020, (the “Motion”) on behalf of the Movants.²

2. Submitted herewith are true and correct copies of the following exhibits, which are identified in the Motion:

Exhibit	Description
1	Letter from Mark C. Ellenberg, Kelly DiBlasi, and Atara Miller to Martin J. Bienenstock, Re: <i>Demand that Avoidance Claims be Asserted on Behalf of the Puerto Rico Highways and Transportation Authority (“HTA”) Against the Commonwealth of Puerto Rico (the “Commonwealth”)</i> , dated January 15, 2020
2	Letter from Martin J. Bienenstock to Mark C. Ellenberg, Kelly DiBlasi, and Atara Miller, Re: <i>Demand that Avoidance Claims be Asserted on Behalf of the Puerto Rico Highways and Transportation Authority (“HTA”) Against the Commonwealth of Puerto Rico (the “Commonwealth”)</i> , dated January 29, 2020
3	Assured Insurance Agreement for Series AA Bonds
4	Assured Insurance Agreement for Series L Bonds
5	Assured Insurance Agreement for Series N Bonds
6	MBIA Insurance Agreement for Series AA Bonds
7	Ambac Insurance Agreement for Series AA Bonds

² Capitalized terms used in this Declaration but not defined herein shall have the meanings ascribed to them in the Motion.

8	Ambac Insurance Agreement for Series L Bonds
9	FGIC Insurance Agreement for Series AA Bonds
10	FGIC Insurance Agreement for Series I and J Bonds
11	FGIC Insurance Agreement for Series L Bonds
12	FGIC Insurance Agreement for Series N Bonds
13	13 L.R.P.A. § 31751 (consolidated English-language version and Spanish version)
14	Administrative Bulletin Num. EO-2015-46 (Certified English Translation)
15	<i>Puerto Rico Emergency Moratorium and Financial Rehabilitation Act</i> , Act No. 21-2016, dated April 6, 2016
16	Moratorium Orders
17	Moratorium Laws
18	<i>Fiscal Plan for Puerto Rico</i> , dated March 13, 2017
19	<i>2019 Fiscal Plan for Puerto Rico, Restoring Growth and Prosperity</i> , dated May 9, 2019
20	<i>Fiscal Plan Compliance Act</i> , Act No. 26-2017, dated April 29, 2017
21	<i>Amended Stipulation Between the Commonwealth of Puerto Rico and the Puerto Rico Highways and Transportation Authority Regarding the Tolling of Statute of Limitations and Consent Order</i> , ECF No. 6531 in Case No. 17-03283-LTS, dated April 26, 2019.
22	<i>Second Amended Stipulation Between the Commonwealth of Puerto Rico and the Puerto Rico Highways and Transportation Authority Regarding the Tolling of Statute of Limitations and Consent Order</i> , ECF No. 9722 in Case No. 17-03283-LTS, dated January 8, 2020.
23	<i>HTA Revised Fiscal Plan 2019-2024</i> , dated June 5, 2019
24	2016 HTA Audited Financial Statements
25	<i>PRHTA Fiscal Plan 2017-2026</i> dated April 28, 2017
26	2018 HTA Audited Financial Statements
27	<i>2020 Fiscal Plan for Puerto Rico, Restoring Growth and Prosperity</i> , as certified by the Financial Oversight and Management Board for Puerto Rico, dated May 27, 2020

28	Brief of Congressman Rob Bishop, Chairman of the House Committee on Natural Resources, as <i>Amicus Curiae in Support of Neither Party</i> , <u>Ambac Assurance Corp. v. Commonwealth of Puerto Rico</u> , Case No. 18-1214 (1st Cir. June 29, 2018)
29	Audited Financial Statements, Puerto Rico Highways and Transportation Authority, Year Ended June 30, 2015)
30	Excise Tax Revenues Accounting Spreadsheet, FY 17-FY20, HTA_STAY0000001
31	<i>2020 Fiscal Plan for the Puerto Rico Highways & Transportation Authority</i> , as certified by the Financial Oversight and Management Board for Puerto Rico, dated June 26, 2020
32	31 L.P.R.A. § 3498 (official translation)

3. I declare under penalty of perjury that the foregoing is true and correct to the best of my personal knowledge, my review of the public record and documents produced to the Movants, and based upon information provided to me by the Movants.

Dated: July 17, 2020
New York, New York

By: /s/ William J. Natbony
William J. Natbony, Esq.*

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* Admitted *pro hac vice*

*Attorneys for Assured Guaranty Corp. and
Assured Guaranty Municipal Corp.*

CERTIFICATE OF SERVICE

I hereby certify that on July 17, 2020, I caused the foregoing document to be electronically filed with the Clerk of the Court for the United States District Court for the District of Puerto Rico by using the CM/ECF system, which sent notification of such filing to all CM/ECF participants.

New York, New York

July 17, 2020

By: /s/ Robert Berezin
Robert Berezin*
* Admitted *pro hac vice*

By: /s/ Eric Pérez-Ochoa
Eric Pérez-Ochoa
USDC-PR 206314